

**KEY CHANGES**

- Adds an ethics content CPE requirement – 6 hours over 3 years.
- Expands the non-public CPE obligation to 120 hours per 3-years; equal to public practice.
- Divesting may be required of any firm owner, if fraud, etc. Firm name may be used, if owner incapacitated.
- Widens the services requiring peer review.
- Removes some detail about exam “windows”.
- Allows various higher fees, within fixed maximums.
- A certificate or permit is considered relinquished at Aug. 31.
- Changes in “retired” status – allowing some work, adding an age factor, requiring use of “retired”.
- Broadens the “CPE catch up” period to those wanting to start using CPA credential.

## North Dakota Accounting Regulations July 1, 2008

### CHAPTER 3-01-01 ORGANIZATION OF BOARD

## Section

3-01-01-01 Organization of the State Board of Accountancy

#### 3-01-01-01. Organization of the state board of accountancy.

1. **History.** The state board of accountancy was created in 1913 and originally supervised certified public accountants. The 1975 Public Accountancy Act, codified as North Dakota Century Code chapter 43-02.1, completely revamped the accountancy laws and added licensed public accountants to the board’s jurisdiction. The Accountancy Act of 1993 replaced North Dakota Century Code chapter 43-02.1 with chapter 43-02.2.
2. **Legislative intent.** It is the policy of this state, and the purpose of the Accountancy Act of 1993 to promote the reliability of information used for guidance in financial transactions or for accounting for or assessing the financial status or performance of enterprises.
3. **Board membership.** The board consists of five members appointed by the governor. There are ~~four~~ five certified public accountants ~~and one licensed public accountant~~ on the board. ~~If there are fewer than twenty-five licensed public accountants in the state, they shall lose representation on the board. Board terms are five years.~~

*The statute calls for 5 CPAs, when LPA numbers reach 25.*

4. **Board organization.** The board shall elect from its members a president and a secretary-treasurer, and any other officers the board may require. The officers shall take office immediately following election and shall serve for one year, and shall be eligible for reelection. The president shall preside at meetings of the board; the secretary-treasurer shall preside in the absence of the president.
5. **Compensation of board members.** Each member of the state board of accountancy shall receive compensation of three hundred dollars for each day, or portion thereof, spent in official business of the board, not to exceed two thousand dollars per fiscal year.

6. **Executive director.** The board is authorized to employ an executive director. The executive director is responsible for keeping the board's records and administering the board's activities.

~~The board's executive director may be contacted at:~~

~~State Board of Accountancy  
2701 S. Columbia Road  
Grand Forks ND 58201-6029~~

**History:** Amended effective August 1, 1981; September 1, 1983; October 1, 1983; July 1, 1991; March 1, 1995; July 1, 2008.

**General Authority:** NDCC 28-32-02.1, 43-02.2-03

**Law Implemented:** NDCC 28-32-02.1, 43-02.2-03

## CHAPTER 3-01-02 DEFINITIONS

### Section

3-01-02-01 Definitions

3-01-02-02 Use of Words "Accountant" and "Accounting"

**3-01-02-01. Definitions.** Unless specifically stated otherwise, the following definitions are applicable throughout this title:

1. "Accountant" means either a certified public accountant (CPA) or a licensed public accountant (LPA), except as provided in section 3-01-02-02.
2. "Accounting concentration" means ÷
  - a. ~~Through December 31, 1999, thirty semester credits or equivalent of accounting and business law education; and~~
  - b. ~~After December 31, 1999, twenty four semester credits or equivalent of accounting education, plus twenty four credits of other business courses.~~
  - c. ~~After December 31, 2004, twenty four semester credits or equivalent of accounting education (not including principles of accounting or equivalent classes), plus twenty four credits of other business courses (which could include Principles of Accounting or equivalent courses).~~
  - d. ~~After December 31, 2009, twenty-four semester credits or equivalent of accounting courses, plus twenty-four credits of other business courses. Principles of accounting or equivalent courses do not count toward the required accounting or business courses. Up to three credits of economics credits may be included in the other business courses.~~

### *Removes past definitions*

3. "AICPA" means the American institute of certified public accountants.
4. "Bookkeeping" means the maintaining of financial records and preparation of tax returns. Bookkeeping does not include the preparation of any financial statement or similar such documents on which language similar to that utilized by certified public accountants or licensed public accountants is placed including compilation and review language.

5. “Enterprise” means any person, persons, or entity, whether or not organized for profit, for which an accountant provides services.
6. “Financial statements” means a presentation of financial data, including any accompanying notes, intended to show financial position at a point in time or changes in financial position for a period of time in accordance with generally accepted accounting principles or another comprehensive basis of accounting. Incidental financial data included in management advisory services, reports to support recommendations to a client, and tax returns and supporting schedules are not financial statements.
7. ~~“NSA” means the national society of accountants.~~

*The NSA definition is not necessary; It is no longer used in the regulations.*

8. “NASBA” means the national association of state boards of accountancy.
9. ~~8. “Practice of public accounting” does not include reviews conducted under the AICPA or NSA peer review programs or the AICPA’s quality review program or the board’s positive review program , or any other similar program approved by this board .~~

*The 2 review programs don’t really exist.*

The terms “public practice”, “practice”, “practice of public accountancy”, and “practice public accounting”, shall be synonymous with the term “practice of public accounting”.

**History:** Amended effective January 1, 1987; July 1, 1991; March 1, 1995; October 1, 1999; December 1, 2003; July 1, 2006; July 1, 2008.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03

- 3-01-02-02. Use of words “accountant” and “accounting”.** Except as provided in subsection 2, 3, 4, 5, and 6 of the North Dakota Century Code section 43-02.2-12, a person or firm assuming or using any title or designation , acronym or abbreviation that includes the words “accountant” or “accounting” does not imply the person or firm holds a valid certificate, license, or permit issued under North Dakota Century Code chapter 43-02.2 or has special competence as an accountant or auditor, if the words are accompanied by a suitable disclaimer. For a person the disclaimer must state the person is not a CPA or LPA. For a firm the disclaimer must state the firm is not a CPA firm or LPA firm. The disclaimer is suitable if its location, size or volume, and form clearly informs the public.

*Adds acronym and abbreviation; these also may be used with the disclaimer ...*

**History:** Effective July 1, 2006.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-12

## CHAPTER 3-01-03 ETHICS, FIRM OWNERSHIP, AND FIRM REVIEW

### Section

- |            |                |
|------------|----------------|
| 3-01-03-01 | Code of Ethics |
| 3-01-03-02 | Firm Ownership |
| 3-01-03-03 | Firm Review    |

**3-01-03-01. Code of ethics.** Licensees must observe the code of professional conduct of the American institute of certified public accountants, with references to “member” being understood to apply to licensees. Licensees must

also observe the codes of conduct of the general accounting office, the securities and exchange commission ~~administration~~, and any other bodies, whenever they are relevant and applicable based on services performed by the licensee.

***“Housekeeping”.***

History: Effective July 1, 2008  
General Authority: NDCC 43-02.2-04  
Law Implemented: NDCC 43-02.2-03

**3-01-03-02. Firm ownership.** A minority of the ownership of a firm practicing public accountancy within this state may be held by ~~individuals who are not~~ non certified public accountants or non licensed public accountants, but each such owner:

***“Housekeeping”. “individuals” is redundant, with section 1 below.***

1. Must be an individual;
2. Must not serve as the principal executive officer of the firm;
3. Must not exercise authority over the performance of audit, review, compilation, or other attest services; and
4. Must not aid in the unauthorized practice of public accounting, or knowingly misrepresent facts, or commit any act discreditable to the accounting profession.

When any ~~such~~ owner of a firm practicing public accounting within this state ~~fails to meet one of these conditions, or~~ is convicted of a felony or other crime involving fraud or dishonesty, or is disciplined by a regulatory agency, that person’s ownership in the firm must be fully divested within six months thereafter, if so directed by ~~unless the board shall determine otherwise~~.

In the event of death or incapacity of a firm’s sole owner, the firm may continue to operate under the owner’s name and credential, for up to one year. The board may require firm supervision.

***“Housekeeping”. Broadens the divesting potential requirement to all owners, and rewords to “when directed”. Provides for temporary operation of a firm, in special situations. Supervision may be included.***

History: Effective July 1, 2008.  
General Authority: NDCC 43-02.2-04  
Law Implemented: NDCC 43-02.2-03

**3-01-03-03. Firm Review.** ~~When directed by the board, a firm which performs audit, review, or compilation or agreed-upon procedures services is~~ Firms practicing public accounting are required to undergo a practice review conforming to the standards of the AICPA peer review program, or a program deemed comparable by the board. The board will not require such review more frequently than every three years, except in the case of quality concerns or the lack of timely review progress. A copy of the review report and letter of acceptance, plus any letters of comment and response issued, are to be submitted to the board when directed. When the review process reveals substantive quality concerns, the board may take various actions against the firm, such as requiring specific continuing education, preissuance report review, accelerated practice review, practice restrictions, and other measures.

***Review would no longer be a matter of “when so directed”. It is required.  
Peer Review must meet the standards of the AICPA program, including the services to be reviewed (such as “agreed-upon procedures”).***

History: Effective July 1, 2008.

## CHAPTER 3-02-1 EXAMINATIONS

### Section

- 3-02-01-01 Examinations – Location  
3-02-01-02 Examinations – Passing Conditions  
3-02-01-03 Cheating

**3-02-01-02. Examinations – Passing conditions.** ~~Prior to the implementation of the computer-based examination, if at a given sitting of the examination an applicant passes two or more but not all sections, then the applicant must be given credit for those sections passed and need not sit for reexamination in those sections, provided that:~~

- ~~1. The applicant wrote all sections of the examination at that sitting;~~
- ~~2. The applicant attained a minimum grade of fifty percent on each section not passed at that sitting, but this requirement does not apply to an applicant who has passed three sections at a given sitting;~~
- ~~3. The applicant passes the remaining sections of the examination within the six consecutive examinations given after the one at which the first sections were passed;~~
- ~~4. At each subsequent sitting at which the applicant seeks to pass any additional sections, the applicant writes all sections not yet passed; and~~
- ~~5. In order to receive credit for passing additional sections in any such subsequent sitting, the applicant attains a minimum grade of fifty percent on sections written but not passed on such sitting.~~

~~A minimum grade of forty percent is applicable to sections of the examination written prior to July 1, 1999.~~

~~Upon implementation of a computer-based examination, an~~ An applicant may take the examination sections individually and in any order. An applicant shall retain conditional credit for any section passed for eighteen months after the test date ~~, without having to attain a minimum score on any failed sections, and without regard to whether the applicant has taken other sections~~ . An applicant must pass all sections of the examination within a rolling eighteen-month period which begins on the testing date the applicant took of the first section passed. An applicant may not retake any section of the examination within the same testing window calendar quarter . ~~A window refers to a three-month period in which candidates have an opportunity to take the exam, comprised of two months in which the exam is available to be taken and one month in which the exam will not be offered while maintenance and item refreshing is done.~~ In the event all sections of the examination are not passed within the rolling eighteen-month period, credit will expire for any section passed outside the eighteen-month period. ~~During the first year of the computer-based examination, the~~ The board may lengthen the eighteen-month period referenced above, in the event of extraordinary circumstances or ~~if~~ substantial scoring delays ~~occur~~ .

~~Candidates who have attained conditional status as of the launch date of the computer-based examination will be allowed a transition period to complete any remaining sections. The transition period consists of either the length of time or the number of writing opportunities they would have had remaining under the paper-based testing rules above, whichever is exhausted first by the candidate. A candidate who passes a section of the computer-based examination during the transition period will not lose conditional credit for that section before the end of the transition period.~~

*Removes old conditions and transitioning detail. Rewording to specify “testing date”.*

*Provides authority to lengthen the 18-month period for special situations and score delays.  
Changes “window” language to “calendar quarter”.*

**History:** Effective July 1, 1999; amended effective December 1, 2003.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-04

- 3-02-01-03. Cheating.** Cheating by an applicant in applying for or taking the examination may result in the invalidating of examination grades, expulsion from the examination room, disqualification from taking the examination for a specified period of time, and other penalties the board may impose. When the board believes that it has evidence that cheating has occurred, it shall conduct a hearing on the matter unless the applicant waives that right .

*Eliminates a mandatory hearing, when the right is waived.*

**History:** Effective October 1, 1999.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-04

## CHAPTER 3-02-02 FEES

### Section

- |              |  |
|--------------|--|
| 3-02-02-01   | Examination Fees   |
| 3-02-02-02   | Fee for Certificate Without Examination                                    |
| 3-02-02-03   | Licensed Public Accountants' Fees [Repealed]                               |
| 3-02-02-04   | Certificate and License Annual Renewal Fees                                |
| 3-02-02-04.1 | Fee for Annual Firm Permit   |
| 3-02-02-05   | Retired Accountants  |
| 3-02-02-06   | Change of Address Notification   |
| 3-02-02-07   | Return of Suspended, Revoked, or Nonrenewal CPA Certificate or LPA License |
| 3-02-02-08   | Reinstatement Fee  |

- 3-02-02-01. Examination fees.** The following examination fees have been established by the board for the certified public accountants examination:

1. An application fee of ~~one~~ not to exceed two hundred ~~twenty~~ dollars. If the applicant has not passed the full examination by one year after the date of the applicant's last application, a reapplication fee of not to exceed one hundred ~~sixty~~ dollars will be required.
2. Applicants will also be required to pay testing-related fees as required by the national testing program ~~of not more than two hundred fifty dollars per examination section~~ , either to the board or a third party designated by the board. Unused testing fees will not be returned to the applicant, except in unusual situations approved by the board.

*Allows flexibility in pricing, within a fixed maximum. Clarifies unused test fees are generally not refundable.*

**History:** Amended effective July 1, 1981; July 1, 1985; July 1, 1987; July 1, 1991; March 1, 1995; September 1, 2001; December 1, 2003; July 1, 2005.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-04

- 3-02-02-02. Fee for certificate without examination.** The fee for the issuance of a certificate when the board has waived the examination shall ~~be one~~ not exceed two hundred ~~forty~~ dollars. The fee to transfer examination grades shall ~~be one~~ not exceed two hundred ~~forty~~ dollars. ~~Individuals~~



intending to enter the state under the substantial equivalency provisions shall register and pay a registration fee of one hundred forty dollars prior to commencing work in this state.

*Allows additional flexibility in pricing, with a fixed maximum.*

*Last sentence is unnecessary; no fee is charged for temporary practice, if main business place is out of state.*

**History:** Amended effective March 1, 1995; September 1, 1997; July 1, 1999; September 1, 2001; July 1, 2008.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-04

**3-02-02-04. Certificate and license annual renewal fees.** The annual renewal fee for every CPA and LPA shall be set by the board but not to exceed two one hundred dollars. A CPA or LPA who registers and pays the annual renewal fee July 1 through July 31 will be considered licensed during that same period. A CPA or LPA who fails to register or pay the renewal fee by July thirty-first ~~of the board's current fiscal year~~ shall pay a late filing fee not to exceed one hundred of fifty dollars in addition to the regular annual fee. If not paid by August 31, the certificate shall be deemed involuntarily relinquished and not-renewed, and subject to return as specified in 3-02-02-07, and subject to the reinstatement requirements of 3-02-02-08. Individuals registered under the substantial equivalency provisions shall be ~~are~~ required to file an annual renewal form and pay the annual renewal fee, plus the late filing fee if applicable.

*Allows additional flexibility in pricing, with fixed maximums.*

*Formalizes the practice of "pulling" certificates not renewed, instead of formal revocation.*

*Rewording "are" to "shall be".*

*Allows licensing to continue for July, to avoid technically being unlicensed during July 1-31.*

**History:** Amended effective August 1, 1981; October 1, 1982; July 1, 1987; June 1, 1988; July 1, 1991; March 1, 1995; September 1, 1997; October 1, 1999; December 1, 2000; December 1, 2003; July 1, 2008.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-04, 43-02.2-07

**3-02-02-04.1 Fee for annual firm permit.** The annual fee for a firm permit shall not exceed two hundred is ten dollars. A late filing fee of not to exceed one hundred fifty dollars shall also be paid by a firm that fails to register or pay the annual firm permit fee by July thirty-first ~~of the board's current fiscal year~~. If not renewed by August 31, the permit shall be deemed involuntarily relinquished and not-renewed, and subject to the reinstatement requirements of 3-02-02-08. A firm shall register and pay a firm permit fee before commencing any activity that requires such a permit. Failure to register and pay the appropriate firm permit fees may result in the board proceeding to revoke, suspend, or refuse to renew the certificates and licenses of each of the firm's partners, officers, directors, shareholders, or owners.

*Allows additional flexibility in pricing, with a fixed maximum.*

*Formalizes the practice of "pulling" certificates not renewed, instead of formal revocation.*

**History:** Effective June 1, 1988; amended effective March 1, 1995; September 1, 1997; October 1, 1999; December 1, 2000; December 1, 2003; July 1, 2008.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-06, 43-02.2-07

### **3-02-02-05. Retired accountants.**

1. Upon written request, retired status is available for a Any CPA or LPA who is no longer employed because of disability or retirement , and for a CPA or LPA who is at least 60 years of age who performs no accounting, auditing, management or financial advisory, consulting, bookkeeping, or tax services for a client or an employer's client while holding out to the public as a licensee in this state. may notify the board of that status. In that event, a The certificate to practice as a CPA or license to practice as an LPA shall be designated retired and shall remain as such without payment of the annual fees required

by this chapter. A retired certificate holder or licenseholder may not practice in this state but may ~~continue to~~ use the title “certified public accountant, retired” or “licensed public accountant, retired” or the abbreviation “CPA, retired” or “LPA, retired”, as applicable. A retired certificate holder or licenseholder must adhere to the code of ethics set forth in article 3-04, but is not required to comply with continuing education regulations set forth in article 3-03.

*Requires use of the term “retired”. Expands the retired status.*

2. A ~~retired~~ retired certificate holder or license holder may apply for reinstatement to practice at any time and will be reinstated to active practice as a CPA or LPA by paying the annual registration fee required for the year of application and by satisfying the board that all current requirements for continuing education have been met.

**History:** Effective October 1, 1982; amended effective July 1, 1991; March 1, 1995; October 1, 1999; December 1, 2000.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03

- 3-02-02-07. Return of suspended, revoked, or nonrenewed CPA certificate or LPA license.** Should a certificate holder’s certificate be suspended or revoked or not renewed, or a license holder’s license be suspended or revoked or not renewed, the certificate holder or license holder shall return the certificate or license to the North Dakota state board of accountancy within thirty days after receipt of notice of said suspension, revocation, or nonrenewal. The certificate or license returned under this section must be the original document issued by the board.

A CPA or LPA who voluntarily relinquishes the certificate or license shall ~~must~~ return the original certificate or license to the board within thirty days after notifying the board of the intent to relinquish.

*Rephrasing must vs. shall.*

**History:** Effective June 1, 1988; amended effective July 1, 1991; March 1, 1995.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-09

- 3-02-02-08 Reinstatement fee.** A CPA, LPA, or permitholder whose certificate, license, or permit is suspended, relinquished, not renewed, or revoked, is required to pay a reinstatement fee ~~of one~~ not to exceed two hundred dollars in addition to the annual fee, as provided in sections 3-02-02-4 and 3-02-02-04.1, and must also satisfy the board that all current requirements to hold a certificate or license or permit in good standing have been met. Application for reinstatement shall be in writing, showing good cause for the reinstatement; such application may be submitted at any time ~~and will be considered at the board’s next regular meeting~~. If the board rules against the applicant, the applicant shall have the right to request a hearing on the application, and such hearing will be held within ninety days from receipt of such request at a time and location set by the board.

*Allows additional flexibility in pricing, with a fixed maximum.*

*Allows for staff to process reinstatements, vs. Board members.*

**History:** Effective June 1, 1988; amended effective July 1, 1991; March 1, 1995’ July 1, 2008.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-11

## CHAPTER 3-02-04 EXPERIENCE



**3-02-04-01.    Qualifying Experience.** The experience required for initial certification ~~after December 31, 2000~~, must consist of at least two thousand hours gained within four or fewer calendar years, and must be verified to the satisfaction of the board. The majority of the experience must consist of providing some service or advice involving the use of accounting, audit, attest, management advisory, financial advisory, tax, or consulting skills. Candidates may complete the required examinations before completing any of the experience required for initial certification.

*Removes an old date. Added audit.*

**History:** Effective October 1, 1999.  
**General Authority:** NDCC 43-02.2-03  
**Law Implemented:** NDCC 43-02.2-04

## CHAPTER 3-03-01 BASIC REQUIREMENTS

Section	
3-03-01-01	<u>Credit</u> Hours or Days Required
3-03-01-02	How Credits Determined
3-03-01-03	Effective Date
3-03-01-04	Exceptions

**3-03-01-01    Credit Hours or days required.** Continuing education reports are due from all CPAs and LPAs, except those on retired status, by June thirtieth of each year and any credit hours submitted must be for the previous twelve months, July first through June thirtieth.

At the end of each continuing education reporting year, each CPA and LPA performing accounting, auditing, management or financial advisory, consulting, bookkeeping, or tax services for a client or an employer's client while holding out to the public as a licensee in this state must have completed one hundred twenty credit hours of acceptable continuing education in the immediate preceding three reporting periods (including six credit hours of professional ethics content as of June 30, 2022), and a minimum of twenty credit hours each period.

All other accountants who in any way hold out as a CPA or LPA in this state, except those on retired status and those who include the term "inactive" whenever using the CPA or LPA title or abbreviation, must have completed sixty credit hours of acceptable continuing education (one hundred twenty credit hours as of June 30, 2022, including six credit hours of professional ethics content) in the immediately preceding three reporting periods and a minimum of sixteen credit hours each period (twenty credit hours each period, starting at July 1, 2021) .

At the end of the first full continuing education reporting year following receipt of an initial original certificate, an accountant must meet the applicable per year minimum   and must meet the applicable three-year minimum (including ethics content) two years thereafter.

*Adds an ethics education requirement.*

*Expands the non-public CPE obligation to equal that of public practice, already required by the AICPA.*

~~In order to transition from the calendar year reporting period in use prior to 2003, the continuing education period ending June 30, 2004, will consist of the period of January 1, 2003, through June 30, 2004, and accountants will be expected to have completed their normal annual minimum requirement during that period. Credit hours earned in calendar year~~

~~2002 will be assigned to the July 1, 2002, through June 30, 2003, period. Credit hours earned in calendar year 2001 will be assigned to the July 1, 2001, through June 30, 2002, period. Accountants will also be expected to have completed their normal three year total requirement by June 30, 2004.~~

***Removes old transition language.***

**History:** Amended effective August 1, 1984; October 1, 1984; July 1, 1991; March 1, 1995; October 1, 1999; December 1, 2000; December 1, 2003.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-04.

**3-03-01-02. How credits determined.**

1. Continuing education programs are measured in ~~full~~ one-fifth hour increments, with one ~~-fifth~~ hour of credit awarded for each full ~~fifty~~ ten minutes of instruction. ~~One-half hour increments are allowable for a program that is at least one hour in length.~~

***Allows for “nano” learning units, as allowed in 2016 Standards.***

***Those Standards also allow 1/5<sup>th</sup> self-study credits after an initial ½ hour; this is not included here.***

2. Only class hours or self-study equivalents, and not preparation hours, are to be counted.
3. Service as a lecturer or discussion leader will receive credit to the extent that it contributes to the individual's professional competence, to a total credit limit equal to twice the program's credit allowance for enrolled participants. Repetitious presentations are not to be counted.
4. Course taken for university or college credit may receive continuing education credit at the rate of fifteen credit hours per semester hour of institutional credit, or ten credit hours per quarter hour of institutional credit.
5. A CPA or LPA teaching a specific university or college level accounting course for the first time may be granted credit for preparation and instruction to the extent that it contributes to the individual's professional competence, up to a limit of twice the continuing education course credit available for CPAs or LPAs taking the course. No credit is available for repetitious teaching of the course or for subsequent teaching of courses with similar content.

**History:** Amended effective July 1, 1987; July 1, 1991; March 1, 1995; October 1, 1999; December 1, 2003.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-04

- 3-03-01-03. Effective date.** ~~The continuing education requirements first took effect July 1, 1978. For accountants not in public practice, the per year minimum is first effective for the calendar year 2000 and the three year minimum is first effective for the period 2000 through 2002. One hundred twenty credit hours of continuing education for all accountants became effective for the period July, 1, 2019 through June 30, 2022, and the 20 credit hours per year minimum became effective for the reporting year starting July 1, 2021. The ethics content provision became effective for the three year period ending June 30, 2022.~~

***Rephrasing (was vs. is).***

***Adds effective dates for various provisions.***

**History:** Amended effective August 1, 1984; October 1, 1984; March 1, 1995; October 1, 1999; December 1, 2003.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-04

## CHAPTER 3-03-02 QUALIFIED PROGRAMS

### Section

3-03-02-01	General Determination
3-03-02-02	Formal Programs
3-03-02-03	Programs Deemed Approved [Repealed]
3-03-02-04	Self-study Programs [Repealed]
3-03-02-05	Board May Seek Assistance

**3-03-02-01. General determination.** The overriding consideration in determining if a specific program qualifies as a continuing education program is if it is a formal program of learning which contributes directly to professional competence. The program must also meet the specifications delineated below.

**History:** Amended effective July 1, 1987; March 1, 1995; October 1, 1999.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-05

### **3-03-02-02. Formal programs.**

1. Formal programs requiring class attendance may qualify only if:
  - a. An outline is prepared in advance and is preserved;
  - b. The program is at least one -fifth continuing education credit hour in length;
  - c. The program is conducted by a qualified instructor; and
  - d. A record of registration or attendance is maintained.
2. Formal programs not requiring class attendance subsequently referred to herein as self-study programs, may qualify only if:
  - a. A program syllabus is prepared in advance and is preserved;
  - b. The program is at least one -fifth continuing education credit hour in length;
  - c. Program materials are prepared by qualified authors;
  - d. The program is offered and administered by an appropriate sponsor; and
  - e. Records of registration and documented completion are maintained.
3. Programs offered by organizations registered in the NASBA national registry of CPE sponsors qualify for continuing education provided they meet the requirements of this Article .

**History:** Amended effective July 1, 1987; March 1, 1995; October 1, 1999.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-05

**3-03-02-05. Board may seek assistance.** The board may look to other organizations or individuals ~~the North Dakota society of certified public accountants, the North Dakota society of licensed~~

public accountants, the NSA, the AICPA, or the NASBA for assistance in interpreting the acceptability of, and credit to be allowed for, individual continuing education courses.

**History:** Amended effective July 1, 1987; March 1, 1995; October 1, 1999.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-05

*.. Unnecessary language ....*

## CHAPTER 3-03-03 GENERAL INFORMATION

### Section

3-03-03-01	Coverage of Requirement
3-03-03-02	Nonpractice [Repealed]
3-03-03-02.1	Temporary Practice
3-03-03-03	Nonresidents [Repealed]
3-03-03-04	Documentation
3-03-03-05	Compliance Monitors
3-03-03-06	Noncompliance [Repealed]

**3-03-03-01. Coverage of requirement.** ~~The continuing education requirements promulgated by the board will apply to all CPAs and LPAs except those on retired status.~~ In order to enter public practice either full time or part time in North Dakota, an accountant must meet the continuing education requirements as specified in section 3-03-01-01 and may be required to furnish evidence of familiarity with current procedures and practices in the service areas they intend to practice.

~~A late filing fee of fifty dollars will be imposed on any CPA or LPA whose continuing education reports are not submitted to the board by the date indicated on the reporting form.~~

*Another section covers the applicability details.*

*“Accountant” is a defined term, referring to CPAs and LPAs.*

*Evidence of familiarity with current practices may be required, rather than must be furnished.*

*Late fees are specified elsewhere for the registration form (which is also the CPE reporting form).*

**History:** Amended effective July 1, 1991; March 1, 1995; October 1, 1999; December 1, 2000; December 1, 2003; July 1, 2008.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-04

**3-03-03-02.1 Temporary practice.** The board may allow the temporary practice of public accounting and use of the CPA or LPA credential, if the CPA or LPA has acquired at least sixty credit hours of approved continuing education within the preceding three years and agrees in writing to complete, within one year ~~of commencing public practice~~, the remaining continuing education credit hours necessary to total one hundred twenty credit hours. If the remaining continuing education credit hours are not completed within the one-year, the CPA or LPA must immediately cease practicing public accounting and using the CPA or LPA credential.

*Provides a “catch up” period if wanting to restart using the credential or practicing public accountancy.*

**History:** Effective July 1, 1991; amended effective March 1, 1995; October 1, 1999.

**General Authority:** NDCC 43-02.2-03

**Law Implemented:** NDCC 43-02.2-03, 43-02.2-05

**3-03-03-04    Documentation.** Formal evidence of course registrations and written records of course sponsorships, titles, dates, times, locations, and instructors must be maintained by accountants for all continuing education credit ~~hours~~ claimed.

All documentations must be maintained for a period of at least five calendar years beyond the year of participation.

**History:** Amended effective July 1, 1987; March 1, 1995; October 1, 1999.  
**General Authority:** NDCC 43-02.2-03  
**Law Implemented:** NDCC 43-02.2-03, 43-02.2-05

**3-03-03-05.    Compliance monitors.** Continuing education reporting forms filed by individuals must be examined annually by the state board of accountancy or an appointed agent thereof ~~on a~~ sampling basis , to confirm eligibility of credit hours claimed. Individuals claiming ineligible credit hours will be notified, and the credit hours will be disqualified. Flagrant violations of reporting standards, and situations where bad faith in compliance appears likely, will be reviewed for possible action as noncompliance.

**History:** Effective July 1, 1987; amended effective March 1, 1995; October 1, 1999.  
**General Authority:** NDCC 43-02.2-03  
**Law Implemented:** NDCC 43-02.2-03, 43-02.2-05

*Requires that all forms be reviewed.*

Rule sections not included above:	
3-2-1-1	exam locations ... no change nec.
3-2-2-6	address changes ... no change nec.
3-3-1-4	CPE exeptions ... no change nec.
3-3-3-4	documentation ... no change nec.

Repealed sections not included above:	
3-2-2-3	3-3-3-2
3-2-3	3-3-3-3
3-3-2-3	3-3-3-6
3-3-2-4	3-04
	3-05